

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1816 - SB 1787

March 6, 2016

SUMMARY OF BILL: Limits a current continuity of care mandate for insurers and health care providers when a provider who is a member of a managed health insurer's provider network terminates its agreement with an insurer or when the managed health insurer terminates the provider without cause.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- Currently, whenever a provider who is a member of a managed health insurer's provider network terminates its agreement with an insurer or the managed health insurer terminates the provider without cause, the provider and insurer are required to allow the subscriber or enrollee to: continue to receive covered benefits from the treating provider when under active treatment for a particular injury or sickness for a period of 120 days from the date of notice of termination; continue care with a treating provider in the second trimester of pregnancy until completion of postpartum care; and continue receiving treatment at an inpatient facility until being discharged.
- The proposed legislation will reduce the current requirement that a provider continue providing the following services to completion, for a subscriber or enrollee subsequent to any notice of termination, limiting such services to a period of 120 days from the date of notice of termination: when the subscriber or enrollee is in the second trimester of a pregnancy until the completion of postpartum care or when the subscriber or enrollee is receiving treatment at an inpatient facility until being discharged.
- According to TennCare, this proposed legislation will have no impact to any HCFA plan because reimbursement rates are limited to the amount pursuant to contract which is funded by capitation rates.
- According to the Division of Benefits Administration, this legislation will have no effect on any State Employee, Local Education, or Local Government plan administered by the Division as the Division does not currently contract with managed health insurance issuers, to which this legislation applies.
- This legislation will have no significant impact on state or local government.

HB 1816 - SB 1787

IMPACT TO COMMERCE:

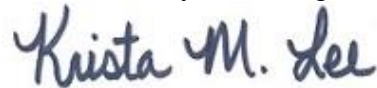
NOT SIGNIFICANT

Assumptions:

- Pursuant to Tenn. Code Ann. § 56-7-2358 (b), this proposed legislation will result in an impact to insurers, providers, and plan subscribers to the extent a treating provider or inpatient facility agrees to continue to be bound by the terms, conditions and reimbursement rates of the provider's agreement with the insurer upon the date of notice of termination.
- This legislation is not likely to result in any significant fiscal impact to insurers or health care providers in this state.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee".

Krista M. Lee, Executive Director

/jdb